

9 August 1963

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WEEKLY SUMMARY

OFFICE OF CURRENT INTELLIGENCE

CENTRAL INTELLIGENCE AGENCY

State Dept. review
completed

Navy review
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C O N T E N T S

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EAST GERMANY SEEKS TO PROMOTE NEW IMAGE 6

While Moscow does not plan early action for a separate peace treaty or against the Western position in Berlin, it apparently has endorsed certain steps to obtain Western acceptance of increased East German control over lines of communication to West Berlin.

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ASIA-AFRICA**SINO-INDIAN BORDER QUIET DESPITE INDIAN FEARS****9**

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BUDDHIST DISPUTE STILL SIMMERS IN SOUTH VIETNAM**10**

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MANILA CONFERENCE ENDS**11**

Indonesia emerges as the chief beneficiary of the conference, having gained a voice in area security arrangements and a final communiqué which can be exploited to further its efforts to prevent formation of a Malaysian federation.

EGYPTIANS AGAIN DELAY WITHDRAWAL FROM YEMEN**12**

Egyptian troops withdrawn so far have been largely replaced, and UN officials [REDACTED] are dissatisfied with the Egyptians' performance.

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EUROPE**PROBLEM OF EUROPEAN CREDITS TO COMMUNIST BLOC****13**

NATO countries have had little success in four years of effort to agree on a common economic policy toward the bloc and to curb the sharply rising volume of long-term Western credits to it.

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The Communist World

TEST BAN TREATY EXACERBATES SINO-SOVIET CONFLICT

The Soviet Union's 3 August statement denouncing Peiping's opposition to the nuclear test-ban treaty is one of the most contemptuous indictments of the Chinese Communist leadership in the history of the Sino-Soviet quarrel. The caustic and free-wheeling attack strongly reflects Khrushchev's personal hand and indicates that Moscow feels it has Peiping on the defensive on the treaty question. The statement appears to herald a new campaign to undercut Peiping's ambitions and pretensions to the leadership of the world Communist movement.

The statement was a well-argued case for the right of the USSR to speak in behalf of Socialist powers on matters of major international importance. It strongly implied that Peiping's stand was a reflection of its own frustrated nuclear aims and then went on to raise strong doubts regarding the rights and qualifications of such "politically irresponsible" leaders to speak for world Communism. The statement claimed that the USSR, "as the nuclear power in the community of socialist states," was in the best position to judge the present balance of forces and the wisdom of a test ban.

The Soviet statement scoffed at the Chinese proposals for a world summit meeting on disarmament as merely old-hat repetitions of prior Soviet offers. Mocking the illogic of the Chinese argu-

ment, the Soviet statement pointed out that even Peiping had been forced to admit that the question of the complete prohibition of nuclear weapons should be approached "gradually." The statement scornfully derided the Chinese position as reeking of "hopelessness and pessimism," and, claiming that Peiping has "lost its nerve," maintained that such proposals as those advanced by the Chinese could only be understood if they came from those "who are doomed by history, from those under whose feet the ground is shaking."

In their efforts to gain some advantage from what is at best a poor position, the Chinese have continued their direct attacks on the Soviet agreement to the treaty, portraying the Soviet Union as a nation which has capitulated to capitalism. They have not had much success in gaining supporters for their view, however. North Korea is the only nation to join with Albania in echoing the violence of the Chinese charges.

North Vietnam's first substantive comment on the accord, contained in an editorial in Nhan Dan on 6 August, belatedly and implicitly aligns Hanoi with China's stand on the treaty. After supporting Moscow's past nuclear policy, the editorial implies that the Soviet Union now has weakened the bloc's military defenses. It declares that the US aim is to bloc the increase

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SECRET**The Communist World**

of socialist military power, and that consequently the essential task for the bloc today is to pay more attention to the development of nuclear superiority among the socialist countries--that is, China.

leagues out in an impressive parade before 10,000 assembled Chinese. The immediate pretext was the text of a speech to be given by Peiping's vice-mayor.

This ever-increasing deterioration in Sino-Soviet party and state relations has apparently invigorated Chinese plans to solidify regional groupings of their supporters. Jacques Grippa, the dissident leader of the pro-Chinese wing of the Belgian party, has been in Tirana since 14 July.

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The Soviet-led walkout at Hiroshima was the second of three similar actions in the past week. On 1 August two Soviet newsmen walked out on party propagandist Kuo Mo-jo's anti-test-ban speech in Peiping, and at a 6 August rally in Peiping, honoring the visiting Somali prime minister, Soviet Ambassador Chervonenko led his East German, Polish, Czechoslovak, Bulgarian, Rumanian, Hungarian, and Mongolian col-

The Chinese had previously been trying to form Afro-Asian groupings of front organizations such as journalists, trade unions, and peace associations, which would exclude the Soviet Union. They were successful in foiling Soviet efforts to gain full membership in the Afro-Asian journalist group, and the USSR had to be content with observer status. Chinese efforts to score similar successes will undoubtedly now be stepped up.

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THE EAST GERMAN REGIME'S PRESS CAMPAIGN TO CREATE A "NEW IMAGE" OF ITSELF HAS INCLUDED PHOTOGRAPHS SUCH AS THESE:



A "scholarly" Ulbricht.



Popular "enthusiasm" during Khrushchev's visit to East Berlin.



"Family man" Helmut Poppe, commandant of East Berlin, whose troops prevent escapes to West Berlin.

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The Communist World

EAST GERMANY SEEKS TO PROMOTE NEW IMAGE

While the USSR does not plan early action for a separate peace treaty or against the Western position in Berlin, it apparently has endorsed certain steps to obtain Western acceptance of increased East German control over lines of communication between West Germany and West Berlin. In line with this, the East German regime apparently plans to concentrate on enhancing its image as a responsible sovereign state in its external and internal affairs.

In his 31 July speech to the People's Chamber (parliament), Walter Ulbricht catalogued his grievances against the position of the Western powers in Berlin, claiming that they enjoy unfair financial privileges and emphasizing alleged misconduct by Western patrols in East Berlin and misuse of the Berlin air corridors by Western civil air carriers.

The electoral law enacted at this session, however, indicates that formal incorporation of East Berlin into the GDR has again been deferred, thus shelving for the time being the matter of Western military access to the Soviet sector. East Berlin's "representatives" in the People's Chamber are to continue as "observers" at least until after the elections on 20 October. In a somewhat similar vein, the new civil aviation law enacted at the same session proclaims the

GDR's "sovereignty" over all its airspace but contains an escape clause which would permit continuation of Western military flights. The law nevertheless prepares the groundwork for demands for the Western airlines to obtain formal GDR agreement to their use of the corridors.

Ulbricht in his address commended what he described as "new tones" on the part of elements in the West Berlin Senat. He was evidently referring to statements by Willy Brandt and his aide Egon Bahr implying a willingness to talk with the East Germans. Ulbricht made clear that he could use any talks which might be held by West Berlin and East German officials as evidence of West Berlin's recognition of the "realities" of its relationship with East Germany. The USSR doubtless believes that West Berlin leaders are amenable to overtures for direct contacts.

Ulbricht's remarks reveal also an effort, through the use of financial incentives, to induce the population to cooperate in overcoming persistent economic problems. While the incentives he announced appear to be only token measures, they underline the regime's recent tendency to balance continuing strong pressure on the population with a show of inducements.

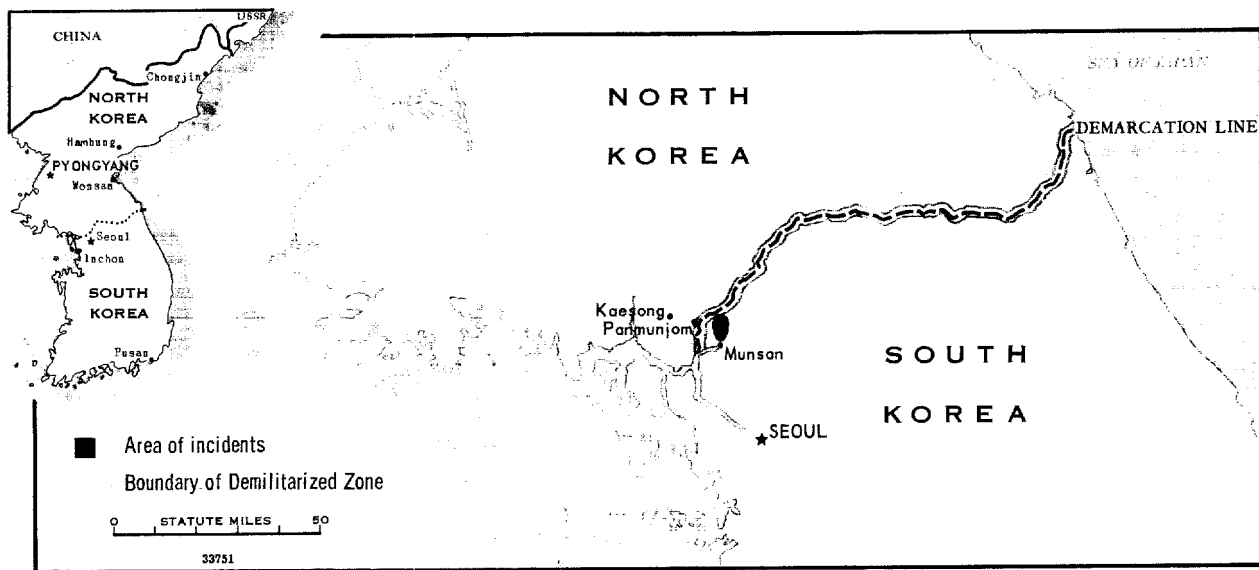
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INCIDENTS ALONG THE KOREAN ARMISTICE LINE

The recent armed clashes along the western sector of the Korean demilitarized zone appear to have stemmed from an increase in North Korean reconnaissance and agent infiltration, and not from plans to instigate larger scale action.

On 29 July, three US soldiers were ambushed just south of the zone and two killed by a group of North Korean infiltrators who apparently thought they had been detected by US forces. The attackers continued farther into South Korea, where they were surrounded and killed on 30 July in engagements which cost the life of another US soldier. Several additional exchanges of fire between North Korean and US forces since 30 July along the demilitarized zone apparently reflected heightened patrol activity by both sides.

In the past, Pyongyang has frequently conducted infiltration operations across the zone in this area. These activities usually reach a peak in the summer when heavy foliage and early morning fog help to screen movement. This year, abnormally heavy rains in late spring may have led to a backlog of agent missions. It is also possible that Pyongyang made a special effort to increase infiltration this summer.

Pyongyang's failure to exploit the incidents promptly in its anti-US propaganda strongly suggests that it is not planning a deliberate campaign to increase military tension in Korea. There is no indication

of a North Korean military build-up or other activity associated with the recent clashes.

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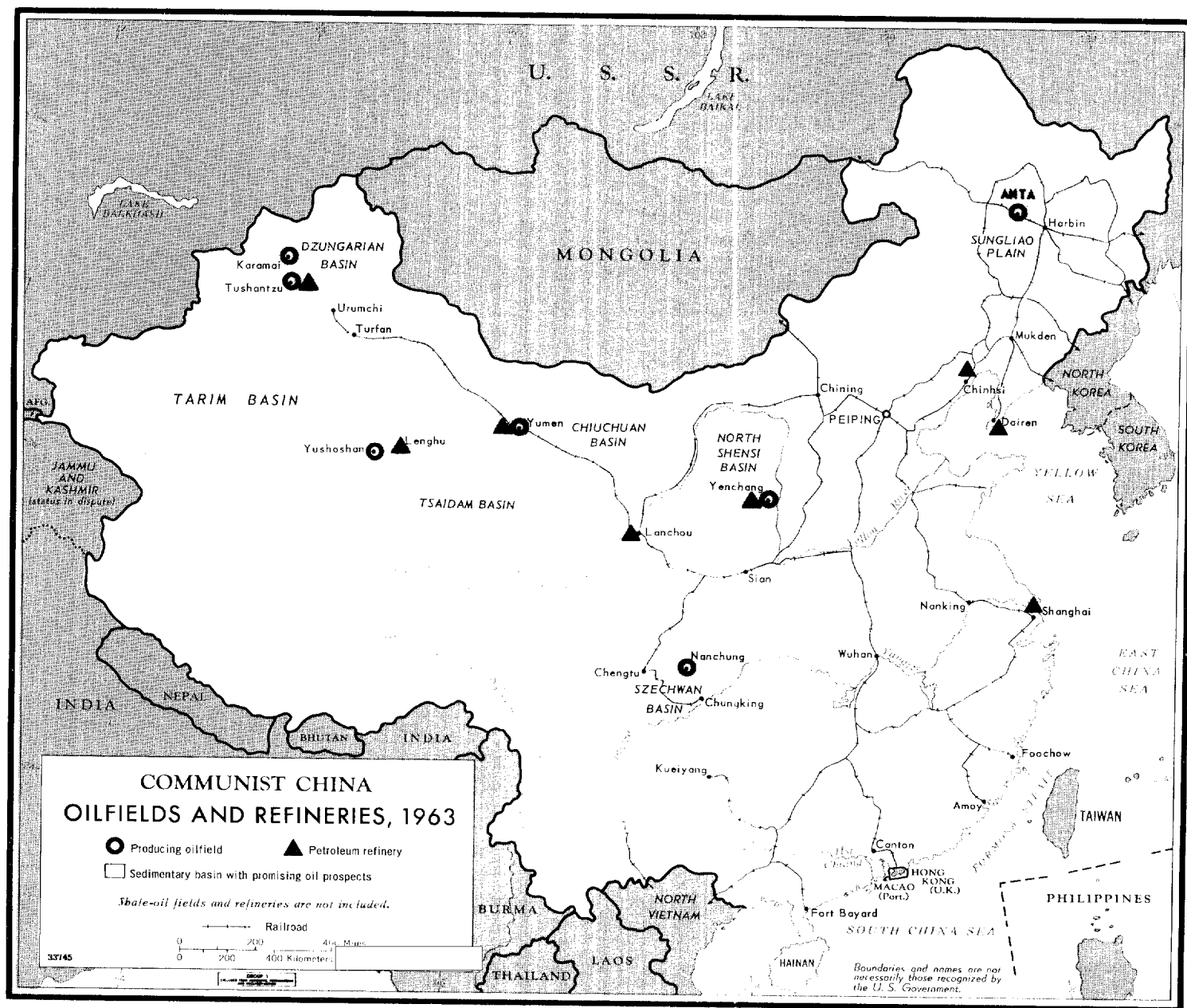
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The Communist World

CHINA'S SUPPLY OF CRUDE OIL BOOSTED BY NEW FIELD

Communist China's oil field at Anta, which was discovered in 1958 and began producing in 1960, is developing into a major source of natural crude. This is especially timely in view of apparently disappointing results in other potentially promising fields such as Tsaidam and Szechwan.

Because of its location, it has significant transport advantages over the older fields at Karamai and Yumen, both in the remote northwest. Anta, northwest of Harbin in Manchuria, is on a major rail line which can carry crude down the double-tracked mainline to refineries at Dairen and Chinhsi. From Dairen, surplus crude can be sent by sea to the large refinery at Shanghai.

Some Anta crude, however, may also be going to the Lanchou refinery.

Recent press reports have in fact mentioned that in 1962 the Lanchou refinery began receiving crude from a new source, a possible reference to the Manchurian field.

Peiping has displayed unusual secrecy about the new field.

The press has not mentioned it, and technicians in the petroleum industry have been cautioned to treat its existence as a confidential matter. As a consequence very little is known about its output or reserves.

crude production in China may be outstripping its 5.5 million tons of refining capacity. China no longer imports crude

If the Anta field is as promising as the limited information now suggests, Peiping would probably expand its refining capacity to reduce its dependence on foreign POL suppliers.

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Asia-Africa

SINO-INDIAN BORDER QUIET DESPITE INDIAN FEARS

New Delhi continues to headline its fears that Peiping is preparing a new drive into Indian territory. The border, however, remains quiet. While there has undoubtedly been a gradual improvement of the Chinese military position along the border, there is no indication that forces in Tibet or southwestern Sinkiang have been augmented this year.

There can be little doubt that a new but carefully controlled "emergency" is useful to Nehru on the eve of what could be a very difficult session of Parliament.

Recent Chinese propaganda concerning India and the border remains normally unpleasant, but it does not project any sense of crisis or contain any threats of new action.

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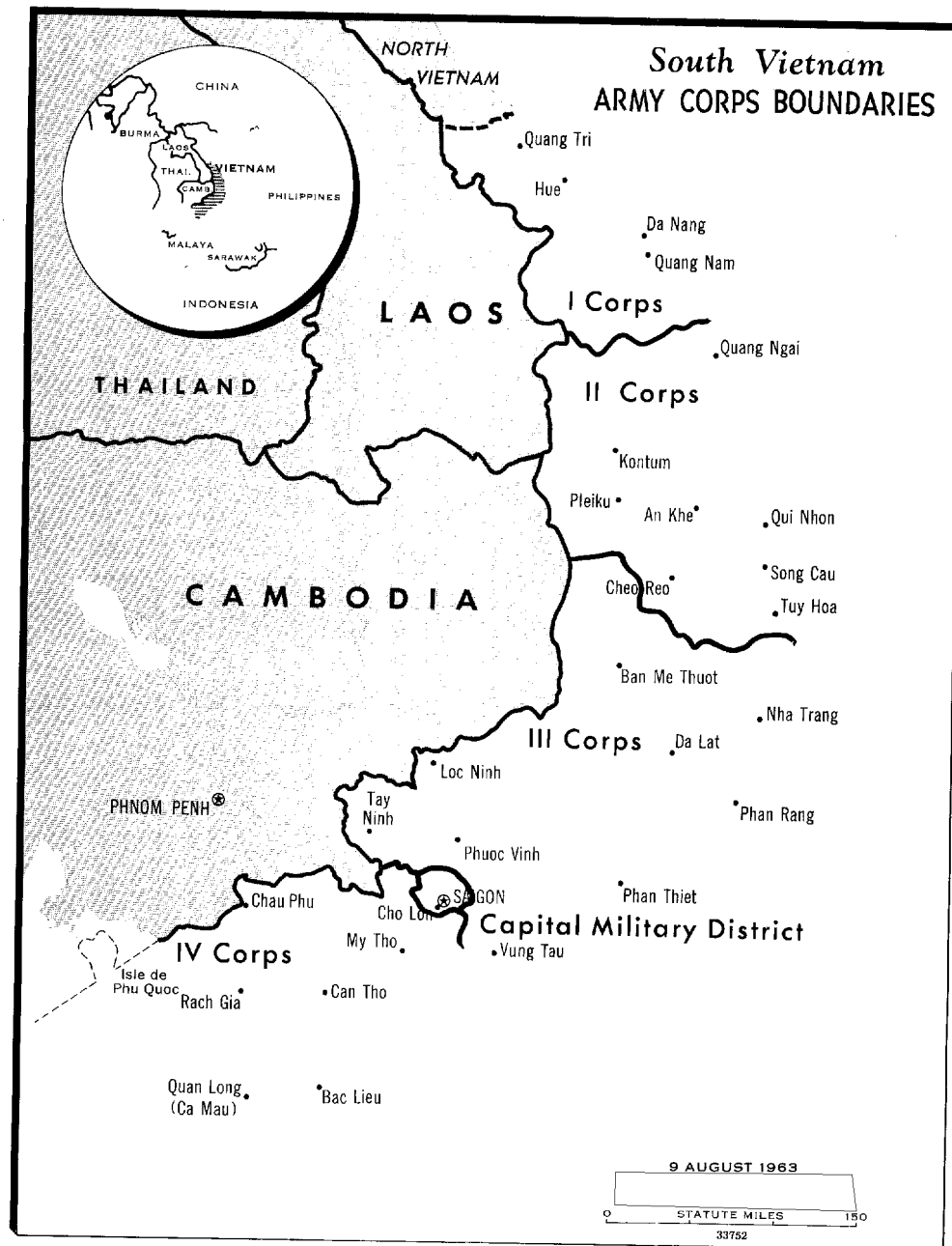
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Asia-Africa

BUDDHIST DISPUTE STILL SIMMERS IN SOUTH VIETNAM

The Buddhists' simmering dispute with the Diem government in South Vietnam has been aggravated by the suicide of a second Buddhist monk. At the same time, there are signs of growing impatience within the ruling Ngo family with the government's recent conciliatory approach to the religious issue.

a Buddhist schoolmaster has been beaten, supposedly by police agents of President Diem's brother Can, the local boss. There are rumors of night arrests in both Hué and Saigon.

On 3 August Diem's sister-in-law, Madame Nhu, strongly attacked the Buddhists in a speech. In a press interview the same day, her husband warned that government weakness might provoke a coup which would be both anti-Buddhist and anti-Western. These statements may foreshadow a return to a more repressive government policy.

On the military front, the Viet Cong were unusually active during the last three weeks of July. The number of armed attacks in each of the last two weeks reached well over 100. The area of the most intense fighting is still in the provinces of the IV Corps south of Saigon, but most attacks continue to be made only by small units. There is further evidence that government operations in the II Corps area in northern South Vietnam are interdicting Communist supplies and forcing guerrilla units to turn from combat actions to food production and procurement.

Meanwhile, more incidents have been reported from Hué which could serve to support Buddhists' charges of continuing government persecution. A Buddhist pagoda caretaker is said to have been killed, and

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Asia-Africa

MANILA CONFERENCE ENDS

The communiqué which concluded the Manila conference of Indonesia, Malaya, and the Philippines on 5 August is a psychological victory for Indonesia in its campaign against the formation of a Malaysian federation. It lends itself additionally to the general advancement of Indonesia's interests in Southeast Asia.

The most immediately important section of the communiqué recommends that the secretary general of the UN or his representative examine elections in Sarawak and North Borneo to determine whether Malaysia was a major issue, whether electoral registers were properly compiled, whether elections were free of coercion, and whether votes were properly polled and counted.

The communiqué further asks that some determination be made of the sentiments of persons in these two areas who did not vote because they were either out of the country or jailed for political purposes. Indonesia and the Philippines, along with Malaya, wish to send observers to witness the work of the UN teams.

The communiqué thus throws doubt on the process by which the federation project has been developed so far, and Indonesia apparently hopes to use the opportunity either to postpone the establishment of Malaysia or to frustrate the project entirely.

The communiqué does not mention a time limit for a survey, but it seems likely there will be some delay in the formation of the federation--up to now scheduled for 31 August.

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The UK, despite serious reservations, will go along with the initial UN mission and apparently is willing to countenance a brief postponement of the 31 August deadline.

The Manila conferees also agreed to the formation of "Mapilindo"--a loose association for consultations on area security and economic and cultural development. This association gives Indonesia a voice it has not previously had in area defense arrangements.

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Furthermore, the communiqué states that foreign bases should not be used "directly or indirectly to subvert the national independence of any of the three countries" and that the three will refrain from using "arrangements of collective defense which serve the particular interests of any of the big powers." This section is likely to be directed by Indonesia against the UK's

freedom to use bases in the area and, possibly, against the Philippines' participation in SEATO.

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no border attacks occurred while the Manila talks were in progress.

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EGYPTIANS AGAIN DELAY WITHDRAWAL FROM YEMEN

The Egyptians continue to delay complying with the agreement for disengagement in Yemen. Despite assurances by Nasir that 2,000 troops would be withdrawn in early August, net Egyptian troop strength in Yemen remains at over 30,000.

Thant has also privately told US officials that he has asked both Egypt and Saudi Arabia to continue to finance the UN observer force operations for two more months.

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UN observers in Yemen reportedly are unhappy over the lack of cooperation from the Egyptians. Secretary General Thant has sent a message to Cairo urging it to carry out the agreement and indicating that if the situation did not improve he would next communicate directly with Nasir.

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Europe

PROBLEM OF EUROPEAN CREDITS TO COMMUNIST BLOC

With the apparent relaxation in East-West tensions in recent weeks, NATO countries are focusing their attention on the problem of the sharply rising volume of long-term Western credits to the Communist bloc. For the past four years, efforts have been made in NATO to restrain such credit grants, but without much success. Agreement has always foundered on competition among the member nations to increase exports and the differing significance they attach to East-West trade.

On the basis of the periodic reports submitted to the NATO Committee of Economic Advisers since 1959, US officials estimate that outstanding credits to the bloc from NATO countries now stand close to \$800 million. From 1959 to 1962, government-insured credits given the bloc by these countries increased by 136 percent, while their actual exports to the bloc have increased in the same period by only 39 percent. These credits are being used by the Communist countries to finance imports of highly specialized capital equipment and even complete plants from the West.

In their over-all credit policies the leading industrial countries of the West are guided by the Bern Union, an organization dating from the prewar period and concerned with harmonizing commercial credit policies to avoid cutthroat trade warfare. However, the Bern Union has not worked out credit policy specifically for the bloc, and its rules are subject to various interpretations.

While the NATO states themselves generally adhere to a gentleman's agreement to limit credits to five years, West German officials and industrialists are complaining that certain NATO members are extending more liberal credit terms and that Germans might be forced to follow suit unless NATO adopts a stricter policy. The EEC countries together have taken the lead in urging their NATO partners to adopt a common credit policy which, at a minimum, would not permit the bloc in general to enjoy credit terms more favorable than those extended to non-bloc countries. (Whether Poland or certain other bloc countries should be subject to a more lenient policy is open to question.) In fact, at French initiative the Common Market countries have reached an agreement that export credit guarantees to the bloc will not as a rule exceed five years.

The greatest resistance to efforts to establish a common NATO economic policy toward the Communists has come from the British. The UK has always stressed the economic and political advantages of increased trade with the bloc, and almost alone appears to be content with the Bern Union as a guide to credit policy. There are even some recent indications that the British are dissatisfied with the gentleman's agreement for five-year government-guaranteed credits and are contemplating seven-year credits. A move in this direction could effectively thwart all chances for a common NATO policy.

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Europe

ITALIAN POLITICAL DEVELOPMENTS

Italy's three major parties have been holding top-level meetings aimed largely at putting their respective houses in order before negotiations for a new center-left government are resumed, probably in the fall.

The meeting of the Christian Democrats' National Council from 29 July to 1 August was heated. The majority center-left grouping was under attack from some rightists who opposed former Premier Fanfani's experiment in center-left government. The rightists pointed to the Nenni Socialists' mid-June repudiation of an agreement to set up such a regime as evidence of Socialist bad faith.

Within the majority grouping, Fanfani had earlier launched a bitter attack against party secretary Moro for bowing to rightist pressures to slow down implementation of the program agreed upon with the Socialists when the original center-left government was formed in early 1962. Fanfani also accused the party as a whole of making him a scapegoat for electoral losses which he considered partly attributable to this slowdown.

For his part, Moro took a generally conciliatory line which probably averted a party split. In the end, the council agreed on a compromise resolution calling for a special con-

ference in October to suggest methods for modernizing the party. The resolution included Fanfani's recommendation that party commissions prepare for formal negotiations with the Socialists in November. On Moro's initiative, it also excludes parties to the right of the Christian Democrats or left of the Socialists from any new center-left government that may be formed. Despite this agreement, there are indications that certain rightist party figures, such as President Segni, are still trying to discredit the center-left formula by attacks on Fanfani.

The dominant autonomist faction of the Socialist Party, which favors the center-left experiment, had earlier gone through a similar struggle to compose internal differences. An agreement signed on 19 July by party chief Nenni and Riccardo Lombardi, who was largely responsible for the repudiation of last June's agreement with the Christian Democrats, indicates Nenni's point of view has generally prevailed.

This agreement approves direct Socialist participation in a coalition government with Christian Democrats, Social Democrats, and Republicans, on condition that agreement is reached on an acceptable government program. Otherwise, the Socialists will return to the

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opposition. It also provides for dropping the party's long-standing rule that it must form joint local administrations with the Communists in areas where the two parties form a majority. By stating that the Communists' undemocratic approach makes impossible a common Socialist-Communist struggle for state power, the agreement virtually accepts Moro's formula for limiting the center-left majority. In addition, the party's somewhat qualified endorsement of the Atlantic Pact is reaffirmed. The agreement calls for continued participation by Socialist workers in the Communist-dominated Italian General Confederation of Labor (CGIL).

Despite this apparent restoration of peace within the autonomist faction, a Nenni victory at the party's national congress in October is by no means assured. Lombardi will

need to be convinced that the Christian Democrats are serious about a government reform program, and the Communist-financed left wing of the party will be seeking to pack the congress with anti-Nenni men.

The Communists Party remains acutely conscious that the center-left experiment is aimed at bringing about its political isolation, and party chief Togliatti continues to face criticism for failing to translate the Communists' steady electoral gains into greater influence on government policy.

Meanwhile, the "Chinese" faction is giving Togliatti some trouble. His ability to keep his opponents under control, however, was clearly demonstrated at a 24-27 July meeting of the party's central committee.

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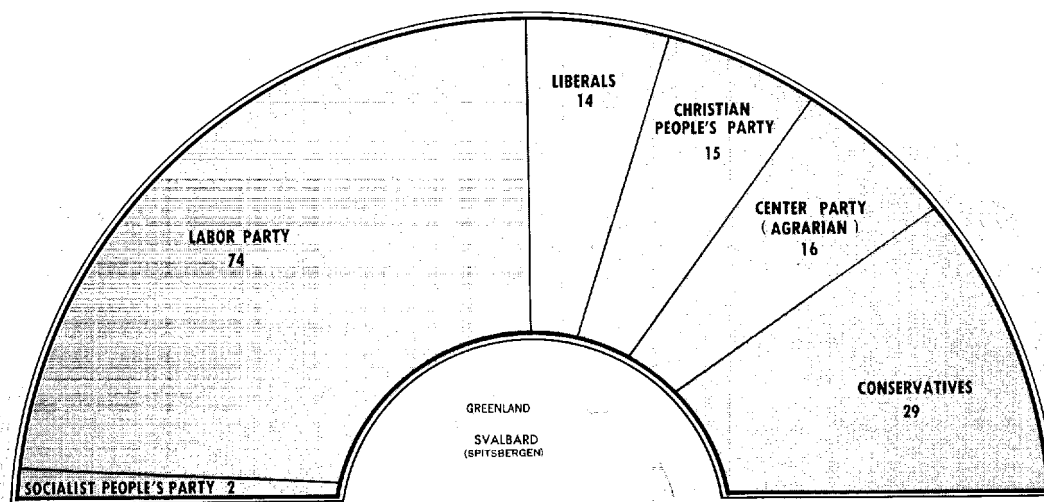
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Europe

POLITICAL TENSIONS IN NORWAY

Prime Minister Gerhardsen's minority Labor government in Norway is under sharp attack as a result of a recent report by an official commission investigating an accident at the government-operated coal mine on Svalbard (Spitsbergen) last fall which took the lives of 21 miners.

The commission's report, which was highly critical of the mine's safety measures, resulted in the immediate resignation of the responsible cabinet minister. It has also given the opposition, for the first time since 1945, an issue potentially good enough to bring down the government.

Gerhardsen has thus far managed to stand off his critics, but the real test for his government is likely to come after Parliament reconvenes this month to consider the commission's findings.

An uncertain factor is the awkward party line-up in Parliament where Labor and the opposition bloc of four non-Communist parties each control 76 seats. Thus the balance of power is held by the two pro-Communist Socialist People's Party (SPP) deputies.

At the moment, however, prospects for the government's surviving the Spitsbergen issue have improved because the opposition is not solidly united. Also, the SPP is not entirely a free agent in the dispute, since it would risk alienating many of its leftist-oriented voters if it collaborated to topple Labor and helped bring to power a "bourgeois" coalition.

The mine accident served to bring new pressure on the government to provide civil air facilities in the isolated archipelago where it occurred--facilities which would have permitted the speedy evacuation of the workers injured last fall. Gerhardsen, however, has so far side-stepped this problem because of Soviet sensitivities regarding the area. Although a Norwegian possession, Svalbard is demilitarized and the Soviet Union maintains mining concessions there. Moscow has previously charged that proposals for civil air facilities were merely a cover for NATO military activities.

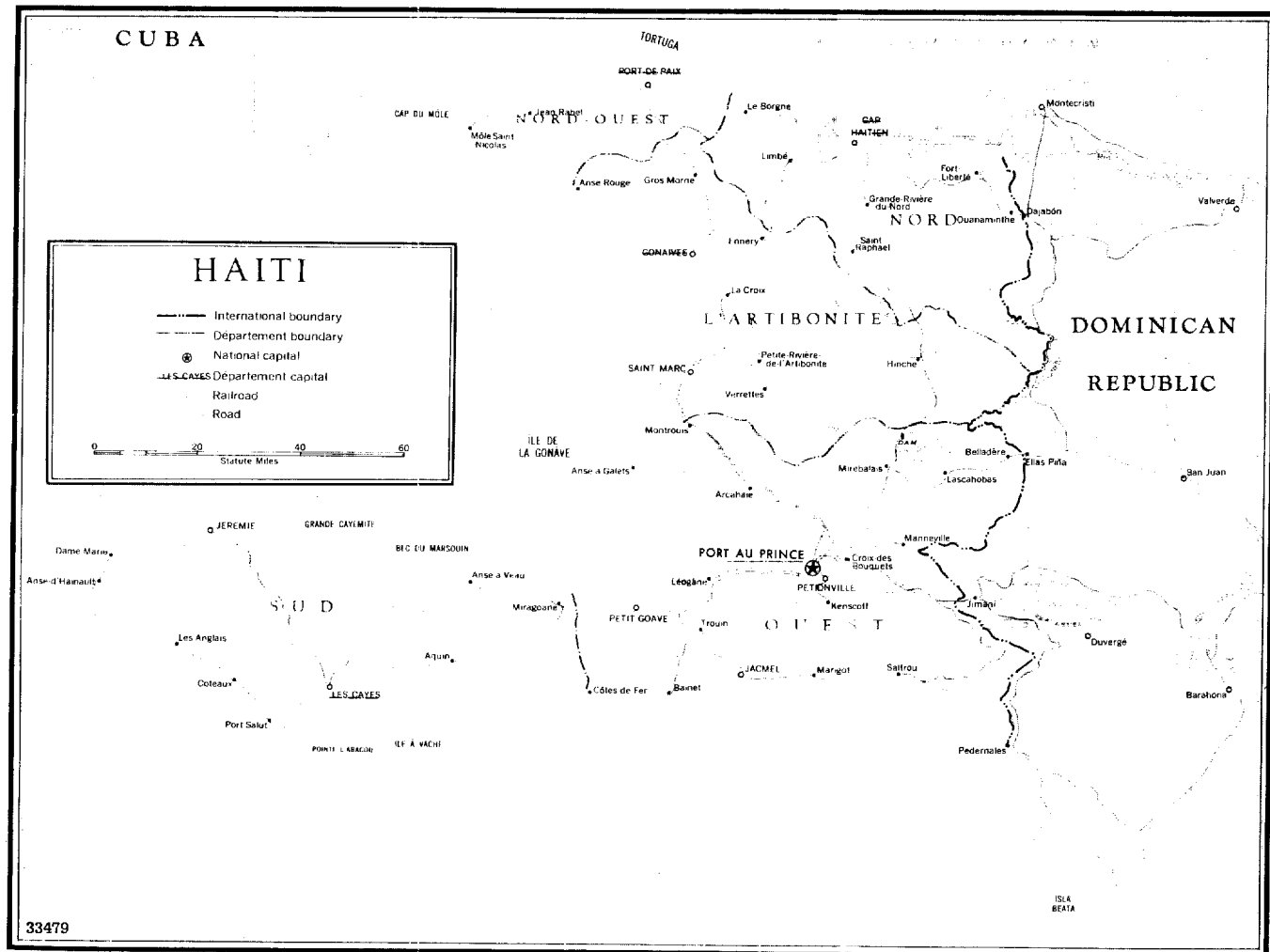
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Western Hemisphere

THE HAITIAN INVASION

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The 5 August invasion of northeastern Haiti by a small force of Haitian exiles appears to have been contained, at least for the time being, by dictator Duvalier's military forces. Military activity in the invasion area reportedly has ceased, and local inhabitants, including foreigners, are being permitted to return there. Some of the invaders appear to have crossed the border into the Dominican Republic, although a few may have taken refuge in the mountainous country of northern Haiti.

The military chief of the invaders has been identified as General Leon Cantave, chief of staff of Haiti's armed forces from December 1956 to February 1957 and recently associated with the National Democratic Union (UDN), an amalgamation of Haitian exile factions active in the Dominican Republic.

Cantave's forces evidently were in contact with several high Dominican military officials, but the extent of their complicity in the invasion plans and whether or not Dominican President Juan Bosch was aware of the impending attack remain unclear. Bosch in mid-May reversed his earlier policy of permitting Haitian exiles to build up their forces on Dominican territory for an attack against Duvalier.

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Press accounts of the invaders' early successes, their encirclement of Cap Haitien, the country's second-largest city, and additional landings elsewhere in the country by other exile groups were grossly exaggerated and appear to have been inspired for the most part by Haitian exile sources. Reports reaching US officials in Haiti indicate that the actual fighting probably was short-lived and that the invaders probably captured only one small border outpost, which subsequently was retaken by Duvalier's forces.

Port-au-Prince remained calm throughout the invasion period, although a certain amount of tension became evident among some regime officials by 6 August. The Chilean chargé d'affaires there informed US Chargé Curtis on 7 August that several of Duvalier's cabinet officers--including Minister of Education Viaud--had made tentative approaches to several Latin American embassies for arranging their diplomatic asylum.

The Duvalier government has followed its traditional practice in such emergencies of instituting widespread arrests and brutality against the popu-

lace. Additional measures along these lines can be expected to follow. There appears to be no basis for the rumors that substantial numbers of Haitians deserted the regime and went over to the side of the invaders, however.

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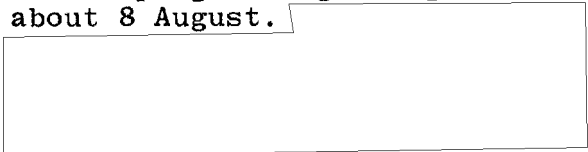
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Western Hemisphere

BOLIVIAN MINE CONTROVERSY

With the opening of Congress on 6 August, the center of the Bolivian Government's controversy with far-leftist and Communist-led miners has temporarily shifted to La Paz. Pro-miner congressmen are expected to challenge the government's reform program intended to put mining operations in the black. Their moves will probably be supported by some noisy demonstrations in the streets. Overall, however, the government appears to be in better control than it was last week.

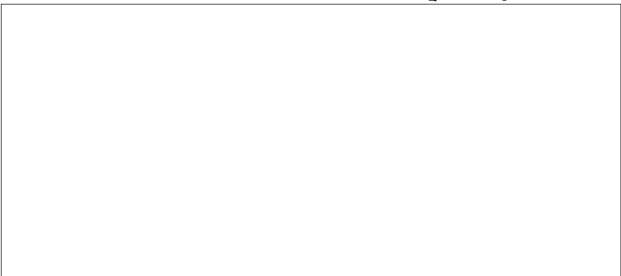
The miners held an extraordinary congress from 29 July to 1 August at which a call was issued for a renewal of the mine-by-mine, 24-hour sympathy strike program beginning on or about 8 August.



The government's unyielding insistence on its reform

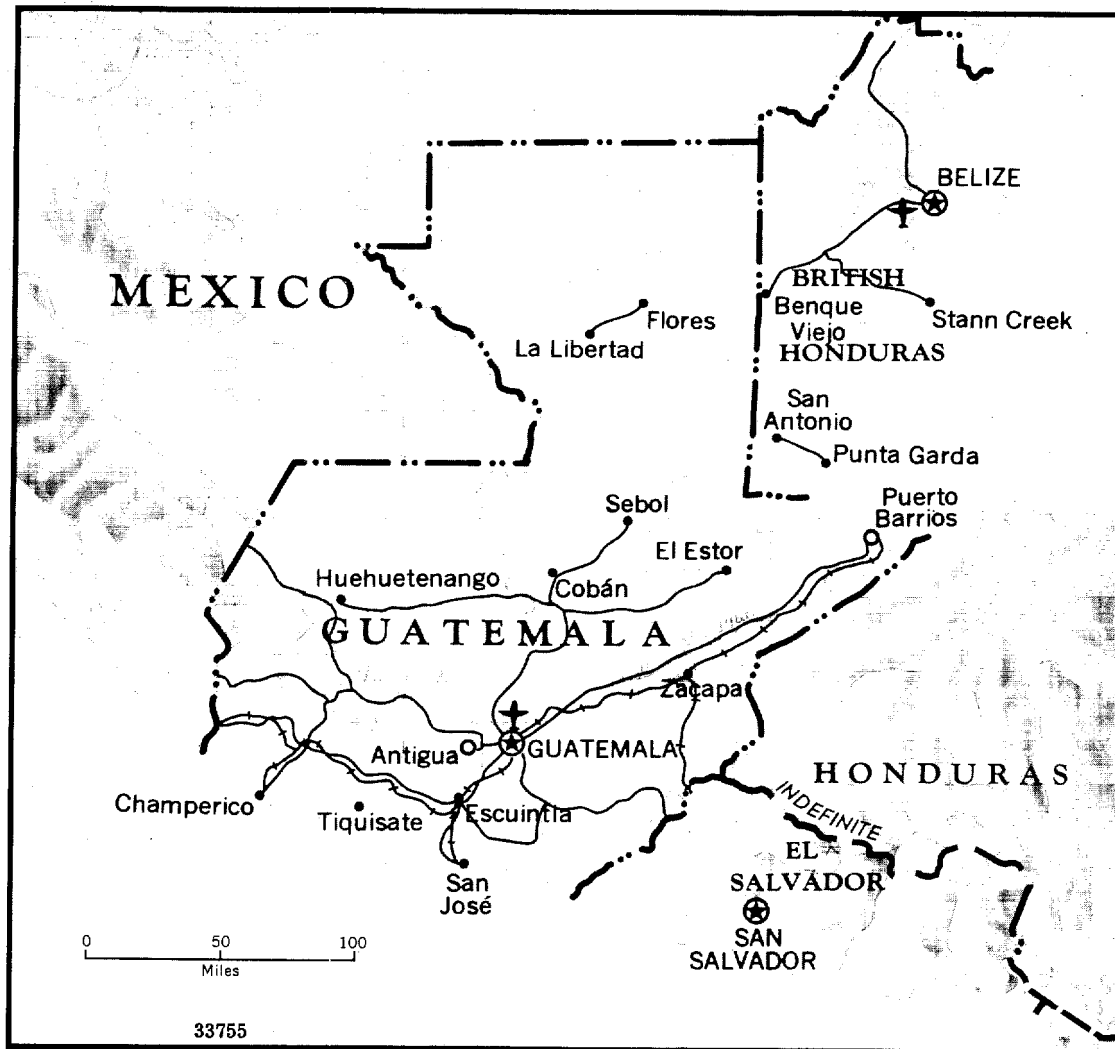
program, however, has surprised the unions. There are indications of some division in the union leadership over how to proceed in opposing the government's plan. The Communist union leaders still are agitating for militancy while others reportedly are questioning whether the risk of a possible government reorganization of the country's union movement is worth a struggle to the finish at this time.

Despite the current respite the threat of more violence still hangs over Bolivia. Any repetition of last week's clash between the miners and pro-government peasant groups would probably cause the situation to deteriorate rapidly.



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Western Hemisphere

GUATEMALAN-UK DISPUTE OVER BRITISH HONDURAS

The threat of a military confrontation between Guatemalan and British forces over British Honduras appears to have receded during the past week. The situation in the border area is still tense, however, and another flare-up of bad feeling between London and Guatemala could occur at any time.

The Peralta government in Guatemala is no longer claiming that British military reinforcements have arrived in Belize, the colony's capital, and there is no evidence of any new Guatemalan military moves in the frontier area. Within Guatemala, public interest continues to wane, and the Peralta regime's present relative silence on the issue of "Belize" (the Guatemalan name for all of British Honduras) may reflect its awareness of the lack of popular support for an indefinite prolongation of its quarrel with the UK.

The Guatemalans have also made some preliminary moves toward seeking a solution of the dispute through direct negotiation or by mediation. A high Guatemalan Foreign Ministry official has proposed a formula whereby representatives of the two countries would discuss

their problems in the presence of a UN-appointed mediator.

The British have indicated their willingness to resume talks on a bilateral basis with the Guatemalans or preferably on a trilateral basis, with the British Hondurans represented. They oppose, however, the Guatemalan formula for a UN mediator and have countered by suggesting revival of a 1946 proposal that the matter be referred to the International Court of Justice.

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Western Hemisphere

PRESIDENTIAL PROSPECTS IN VENEZUELA

Preparations for presidential elections this November in Venezuela are proceeding against a backdrop of leftist-inspired terrorism. Despite the government's effort to drum up enthusiasm, the public appears generally apathetic. However, since participation is compulsory, the registration of about 3,000,000 voters--roughly 10 percent more than in 1958--is assured. More than 500,000 young citizens will be voting for the first time, thus adding another unknown quality to the general uncertainty of the situation.

Senator Raul Leoni, the candidate of President Betancourt's Democratic Action (AD) party, is generally conceded to be the front runner at this stage of the race. He is hampered somewhat by his identification with older, doctrinaire elements of the AD, however, and may have to wage a defensive campaign if the opposition parties can unite behind a single candidate.

Such unity seems improbable at this time. Four candidates have already appeared, and the Christian Socialist Party (COPEI), now the AD's coalition partner, probably will add a fifth to the list.

COPEI's candidate would be Rafael Caldera, who wound up third behind Betancourt in the 1958 election. Although Caldera lacks Betancourt's glamour and COPEI lacks AD's organization,

he would tend to absorb many progovernment votes that otherwise would go to Leoni.

Jovito Villalba, nominee of the Republican Democratic Union (URD) has long been one of Betancourt's most outspoken critics and probably is the strongest antigovernment candidate.

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Wolfgang Larrazabal, the opportunistic ex-dictator, is the candidate of a small new party, the Democratic Popular Force (FDP). This party seems to be an amalgamation of various splinter groups. Its main appeal has been to the left, and a recent FDP rally in El Silencio produced a showing of placards and banners proclaiming support from the Communist Party (PCV), the Leftist Revolutionary Movement (MIR), and the Armed Forces of National Liberation (FALN), the Communist-dominated terrorist group. The PCV-MIR-FALN support will almost certainly make Larrazabal unacceptable to the Venezuelan military leaders and large segments of the population.

The dissident faction of AD known as AD-in-Opposition has nominated Raul Ramos Gimenez. The primary function of this candidate in the campaign seems to lie in his nuisance value, and he may withdraw. The same is true of Senator Arturo Uslar Pietri, who is running as an independent.

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